



## Louisiana Housing Finance Agency

The following resolution was offered by Commissioner Guy W. Williams and approved by Commissioner Katie Anderson:

### RESOLUTION

**A resolution authorizing and approving the requests for buildings to be treated as located in a Difficult Development Area (DDA) contingent upon the Feasibility & Viability Analysis and review of the market study; authorizing the Agency's staff and counsel to prepare the forms of such documents and agreements as may be necessary to approve such requests; and providing for other matters in connection therewith.**

**WHEREAS**, the Louisiana Housing Finance Agency (the "Agency") has been ordered and directed to act on behalf of the State of Louisiana (the "State") in allocating and administering programs and/or resources made available pursuant to Section 42 of the Internal Revenue Code; and

**WHEREAS**, Agency's staff issued a memorandum (the "DDA Memorandum") to the Development Community on June 21, 2011 the requirements for requests for buildings to be treated as located within a DDA in order to increase the housing credits for such buildings to be financially feasible as part of a qualified low-income housing project; and

**WHEREAS**, Agency's staff and counsel have reviewed the requests in accordance with the criteria set forth in the DDA Memorandum for each of the proposed projects listed in Exhibit I attached hereto; and

**WHEREAS**, Agency's staff recommends that the projects identified on Exhibit I be treated as being located in a DDA based upon staff's and counsel's review contingent upon (i) the positive Feasibility & Viability Analysis, (ii) receipt and approval of market study following the submission of a full and complete application and market study and (iii) final Board approval.

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners (the "Board") of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency that:

**SECTION 1.** The requests for buildings to be treated as located in a DDA are hereby approved for the proposed low-income housing tax credit projects listed in Exhibit I in accordance with the terms, conditions and parameters contained in the DDA Memorandum and (i) the positive Feasibility & Viability Analysis, (ii) receipt and approval of market study following the submission of a full and complete application and market study and (iii) final Board approval.

**SECTION 2.** The Chairman, Vice Chairman, President, Vice President and/or Secretary of the Agency be and they are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution as approved by the Agency's General Counsel and LIHTC Program Counsel, Foley & Judell, L.L.P.

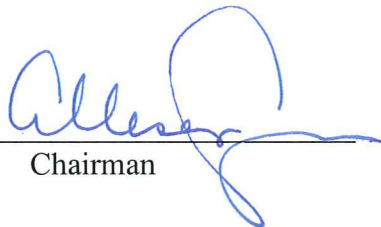
This resolution having been submitted to a vote, the vote thereon was as follows:

**YEAS:** Allison A. Jones, Guy T. Williams, Michael L. Airhart, Katie Anderson, Alice Washington obo John Kennedy, Joseph M. Scontrino, III, Donald B. Vallee

**NAYS:** Mayson H. Foster

**ABSENT:** Adena R. Boris, Jerome Boykin, Sr., Neal P. Miller, Frank H. Thaxton, III, Elsenia Young

And the resolution was declared adopted on this, the 10<sup>th</sup> day of August 2011.

  
Chairman  
Secretary

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency, do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on August 10, 2011, entitled: "A resolution authorizing and approving the requests for buildings to be treated as located in a Difficult Development Area (DDA) contingent upon the Feasibility & Viability Analysis and review of the market study and final Board approval; authorizing the Agency's staff and counsel to prepare the forms of such documents and agreements as may be necessary to approve such requests; and providing for other matters in connection therewith."

**IN FAITH WHEREOF**, witness my official signature and the impress of the official seal of the Agency on this, the 10th day of August 2011.



Secretary

(SEAL)



**Louisiana Housing Finance Agency**  
2415 Quail Drive, Baton Rouge, Louisiana 70808

---

**MEMORANDUM**

**DATE:** June 21, 2011  
**TO:** Development Community  
**FROM:** Louisiana Housing Finance Agency Tax Credit Staff  
**RE:** Requests for Buildings to be treated as located within a Difficult Development Area

---

**Buildings Treated as Located within a Difficult Development Area for Additional Credits**

On June 8, 2011, the LHFA Board of Commissioners adopted the 2011/2012 Qualified Allocation Plan (2011/2012 QAP). As outlined in the 2011/2012 QAP, the Agency may consider buildings located outside of a Difficult Development Area (DDA) or Qualified Census Tract (QCT) on a case by case basis for treatment as being located in a DDA in order to increase the housing credits for such buildings to be financially feasible as part of a qualified low-income housing project. In order for such buildings to be considered as located in a DDA, a request for such treatment must be submitted to the Agency by **no later than close of business, Friday, July 1, 2011.**

All requests for buildings to be treated as located in a DDA must include the following:

- (i) Information regarding project location and the need for additional low-income housing in the market area;
- (ii) Information with respect to the project's development budget characteristics that support DDA designation such as high construction and/or land costs or other construction costs that reduce operating expenses (i.e., Green Technologies);
- (iii) Information concerning unusual operating expenses such as low rents because of low Area Median Gross Income (AMGI) and/or unusually high utility expenses that may not support hard debt repayments for loans needed to complete the development of the qualified low-income housing project;
- (iv) Specific analysis as to (a) why a deferred developer fee is not available to generate the additional funds in the development budget and (b) why, but for the additional

credits generated by a building being treated as located in a DDA, the building and the project either would not be completed or would materially benefit from the additional equity; and

(v) Any additional information that supports the need for additional credits for the building being treated as located in a DDA should be included in the submittal request.

The aforementioned request with supporting information must be organized and formatted with tabs to address each referenced informational requirement and should be forwarded to the attention of Ms. Marjorianna Willman, Tax Credit Manager at [mwillman@lhfa.state.la.us](mailto:mwillman@lhfa.state.la.us) . Only submittals received by the Agency by not later than the close of business, July 1, 2011, will be accepted for review and consideration at the August 10, 2011 Board of Commissioner meeting.



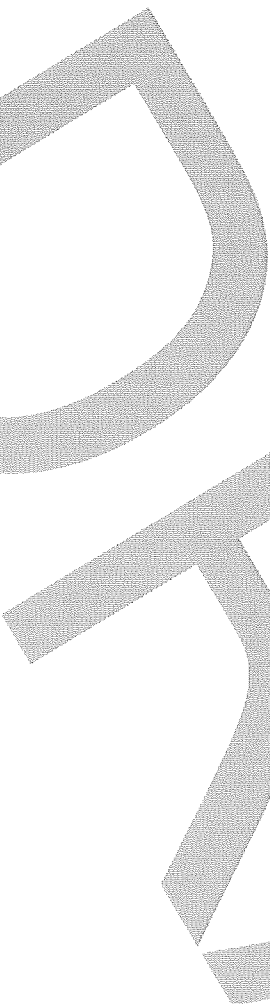
2011/2012 (P/C) Requests to be considered for the 30% Basis Bump

Count	Project Name / Location	Project Parish	Current Units	New Units	Person Submitting / Company	Amount of GAB without 30% Basis Bump	Date Received	(i) Info regarding project location & need for affordable housing in the market area	(ii) Info in respect to dev. budget that support DCA designation	(iii) Info concerning unusually high operating expenses	(iv) Specific analysis as to why the deferred developer fee is not available to generate additional funds and why the project would be completed without materially benefit from the additional equity	(v) Any additional info that supports the need for additional credits for the project being reviewed & located in a DCA	TDC / Unit before basis bump	TDC / Unit after basis bump	Comments
8	QAI New Subdivision 6300 W. Adams Street Houston, LA 77060	Terradome	0	80	Murray L. Children Therapeut Development, LLC	\$ 1,318,000.00 @ 0.80 \$ 860,160.00 @ 0.85	7/6/2011	Provided site location information and also a map of the location. There is a need for affordable housing in the market area. The project is a 100-unit multi-family development with 80 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	Used units are under high in demand because of a lot of growth and development. Our cost is \$500,000 which is \$81,250 per unit. Provided Vantage Land Sales Contract.	Have units as high as economically feasible to support as much hard debt as possible. Provided income and taxes and financial income.	Providing a proposed Proforma. The project is a 100-unit multi-family development with 80 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	Without the Bump it leaves the project with a large gap and infeasible. The project is a 100-unit multi-family development with 80 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	\$ 12,097,633.00 / 80 = \$150,720.37 per unit	\$ 12,097,633.00 / 80 = \$150,720.37 per unit	
9	Katherine Square Apartments 2501 14th Street Fort Worth, LA 76107	West River Thruppe	60	0	Michael A. Rodger Herman & Miller Properties, INC.	\$ 842,652.30	7/6/2011	Project constructed in the late 1970s. Located in census tract 201 in Fort Worth, Texas. The project is currently financed with a 30-year fixed rate mortgage. The project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	Due to the property's age and condition, the developer is planning to replace the roof and make other improvements. The project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	Even though the project is included in the 2010 HUD CDBG program, the City of Fort Worth is very much in need of the project. The project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	Financial analysis provided. With the 30% bump the project is feasible with a DCA between 1.40 to 1.20. With out the bump there is a shortfall of \$482,652.30. The project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	\$ 6,037,802.00 / 60 = \$111,130.33 per unit rehab	\$ 7,046,613.20 / 60 = \$117,443.55 per unit rehab	Recommended and received boost in 2010 Round	
10	Edgewood Square Apartments 7100 7th Street Houston, LA 77210	Lincoln	60	0	Michael A. Rodger Herman & Miller Properties, INC.	\$ 844,000.00	7/6/2011	Project constructed in the late 1970s. Located in census tract 202 in Houston, Texas. The project is currently financed with a 30-year fixed rate mortgage. The project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	Given the rural characteristics of Houston, there will be reduced local labor force which will result in higher labor costs compared to previous years. The project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	City has low HUD CDBG funds and it is hard to turn the units into higher operating expenses. The project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	Financial analysis provided. With the 30% bump the project is feasible with a DCA between 1.40 to 1.20. With out the bump there is a shortfall of \$484,000.00. The project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	\$ 6,659,941.60 / 60 = \$110,997.36 per unit rehab	\$ 7,705,865.50 / 60 = \$128,444.25 per unit rehab	Recommended and received boost in 2010 Round	
11	The Village at Eagle Ridge V 7123 Macdonald Avenue Houston, LA 77271	Beastier	0	60	William Macdonald Autonomy of the City of Houston	\$ 1,910,664.20	7/6/2011	The housing authority of Houston began the process of acquiring the property in 2002. The project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	Most show efforts to HUD to hire and train local residents through Section 8, in both construction & non-construction job opportunities.	Due to the project's location, the project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	The developer is showing a developer that the project is feasible with a DCA between 1.40 to 1.20. With out the bump there is a shortfall of \$1,910,664.20. The project is a 60-unit multi-family development with 60 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	\$ 7,704,720.70 / 60 = \$128,410.33 per unit rehab	\$ 8,681,232.40 / 60 = \$143,355.36 per unit rehab		
12	Village Apartments Village, LA 77273	Concordia	0	56	Folly Longwell Crest / Rose	\$ 1,000,000.00	7/7/2011	Will be a 56-unit multi-family development in Village, LA. There is a need for affordable housing in the market area. The project is a 56-unit multi-family development with 56 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	The current economic growth in the area has raised construction cost. An example is the price of \$55,000/acre.	Being a rural project the income does not support substantial debt service. Also, although the market is strong, the project is a 56-unit multi-family development with 56 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	As projected, the additional credits generated by the bump-up create a shortfall of \$1,000,000.00. The project is a 56-unit multi-family development with 56 units of affordable housing. The project is located in a high-growth area and is expected to be completed by 2013.	TDC Not Provided / 56 = Cannot Calculate	TDC Not Provided / 56 = Cannot Calculate		



[illegible]

Count	Project Name / Location	Project Month	Current Units	New Units	Parent Submitting / Company	Amount of GAP without 30% Basis Bump	Date Received	(i) info regarding project location & need for additional low income housing in the market area	(ii) info in respect to dev. budget that support DDA designation	(iii) info concerning unusually high operating expenses	(iv) Specific analysis as to why the deferred developer fee is not available to generate additional funds and why, but for the bump-up, the project either would not be completed or would be severely underfunded	(v) Any additional info that supports the need for additional credits for the building being treated as located in a DDA	TDC / unit before basis bump	TDC / unit after basis bump	Comments
22	Greenwell Plaza 5573 Greenwell Baton Rouge, LA 70814	East Baton Rouge			Tim Smith Hicks Development Services, LLC	\$ 1,203,277.50	7/8/2011	The agency's own Housing Needs Assessment documents the need for affordable housing in the Baton Rouge market.	Construction requirements within the GAP increase the development cost to a level that necessitates the additional requested credits.	The ABOD of the parish will not allow for a high enough NOI to support debt proceeds to overcome increased unit affordability which will place even more stress on debt servicing.	The Developer fee will not be included in the development budget because the fee will be without the 120% bump-up.	The developer is showing a developer fee available for deferral of \$1,148,120. Without the basis bump there is a GAP of \$282,392. The developer fee available covers this GAP. Without the basis bump there is still a GAP of \$5,132.	\$ 10,624,030 / Number of units not provided = Cannot Calculate	\$ 10,611,637 / Number of units not provided = Cannot Calculate	
23	Westwood Crossing, Phases I & II Lafayette Blvd. & Westwood Dr. Metairie, LA 70002	Jefferson			Tim Smith Hicks Development Services, LLC	Phase I = \$1,484,137.00 Phase II = \$1,484,137.00	7/8/2011	The agency's own Housing Needs Assessment documents the need for affordable housing in the New Orleans market.	Construction requirements within the GAP increase the development cost to a level that necessitates the additional requested credits.	The ABOD of the parish will not allow for a high enough NOI to support debt proceeds to overcome increased unit affordability which will place even more stress on debt servicing.	The Developer fee will not be included in the development budget because the fee will be without the 120% bump-up.	Both phases are a developer fee available for deferral of \$7,148,120. With the basis bump there is a GAP of \$282,392. Without the basis bump there is a GAP of \$4,434,137. Even if everything is deferred there is still a GAP of \$688,950.	\$ 7,148,120 / Number of units not provided = Cannot Calculate	\$ 7,130,712 / Number of units not provided = Cannot Calculate	
24	Highway West Community Ponchartraine, LA 70009	Paragmarie			Dou Oshiro State Street Housing Action, LP		7/8/2011	Located in part of the project will be scanned site. Due to the location many homeowners lost their homes and the need housing stock was greatly diminished.	Development of affordable housing within the GAP increase the development cost to a level that necessitates the additional requested credits. The main liability are construction-related items. With the basis bump the project will require a requirement will require a moderate amount of fill and enhance construction to quality for insurance.	Nothing provided	Nothing provided	Project level of support from Billy Hargrove and a courtesy credit.	TDC Not Provided / Number of units not provided = Cannot Calculate	TDC Not Provided / Number of units not provided = Cannot Calculate	no amount of GAP provided.
25	Exemplar Plaza Apartments, Exemplar Street Metairie, LA 70001	Quenchia			Robert Whittington The Resource Foundation, INC	\$ 1,076,506.00	7/8/2011	Provided the location information and the need for affordable housing stated in the provided market study.	The project location of this project is currently poor and a very substantial amount is needed. Given the current condition of the units, the construction budget is very tight. The project is located in a building and units, much work is needed to the office and the remainder of the site. Current plans call for a series of small improvements to reduce the small operating expenses.	The units are well below market, currently poor and a very substantial amount is needed. Given the current condition of the units, the construction budget is very tight. The project is located in a building and units, much work is needed to the office and the remainder of the site. Current plans call for a series of small improvements to reduce the small operating expenses.	The developer is showing a developer fee available for deferral of \$1,148,120. Without the basis bump there is a GAP of \$282,392. The developer fee available covers this GAP. Without the basis bump there is still a GAP of \$5,132.	\$ 11,481,120 / Number of units not provided = Cannot Calculate	\$ 11,468,120 / Number of units not provided = Cannot Calculate	A similar request was made last year for the same property to be treated as being located in a DDA or CDD. The order to make the property financially feasible. The Board of Commissioners subsequently voted to approve the request.	



[illegible]

Winkler MN	Marathon Apartments 208 South Street Marathon, LA 71559	Did not address	Did not address	Robert Winkler Rural Housing Division LLC
---------------	---------------------------------------------------------------	-----------------	-----------------	-------------------------------------------------

2011/2012 IPO Requests to be considered for the 30% Basis Bump

Count	Project Name / Location	Project Parish	Current Units	New Units	Percent Subsidizing / Company	Amount of CDA, about 30% Basis Bump	Date Received	(i) Info regarding project location & need for additional new income housing in the market area	(ii) Info to support a determination that the project is a "qualifying project" under the 30% basis bump	(iii) Info concerning currently high operating expenses	(iv) Specific analysis as to why the project is not eligible for the 30% basis bump under the current rules and why the project is eligible for the 30% basis bump under the proposed rules	(v) Any additional info that supports the need for additional credits for the project, such as a letter from the local government	TDC / unit before basis bump	TDC / unit after basis bump	Comments
Withdrawn	Referred Apartments 7715 Referred Street Metairie, LA 70002	Iberville	Old not address		Robert Whittington Rural Housing Development, LLC	Old not address	7/9/2011	RD financed affordable housing in need of substantial rehab. RD has clearly communicated that their target area for rehab is the entire state. Also, further evidence of this fact, the current CDA includes a Rural Development set-aside for this purpose, and such set-aside applies to the entire state. Clearly, if such a need did not exist, then such a set-aside would not have been created by the LRPA.	The physical condition of this project is currently poor and a very substantial rehab is needed. Given the current condition of the project, the construction budget is very large. In addition, physical repairs to the buildings and units, much work is needed to the office and the remainder of the site. Current plans call for some Green components in order to reduce the annual operating expenses.	See attached 2011 budgets approved by RD. The annual budget has to be approved in advance by RD. The annual budget is currently being reviewed. The rent is currently restricted. Residents simply cannot afford the rent level. Therefore, the project is not eligible for the 30% basis bump. The project is currently generating a 120% step-up.	No financial analysis provided showing that the project is not eligible for the 30% basis bump under the current rules and why the project is eligible for the 30% basis bump under the proposed rules. The project is currently generating a 120% step-up.	The Agency has employed a long-standing partnership with RD, and it should be clear by now that RD should be able to provide the 120% step-up in order to make the project's rehabilitation financially feasible.	TDC Not Provided / Number of units not provided = Cannot Calculate	TDC Not Provided / Number of units not provided = Cannot Calculate	Developer requested to withdraw from consideration on 08-02-2011
Withdrawn	Oldham Apartments 119 Barker Court Perrin, LA 70359	Assumption	Old not address		Robert Whittington Rural Housing Development, LLC	Old not address	7/9/2011	RD financed affordable housing in need of substantial rehab. RD has clearly communicated that their target area for rehab is the entire state. Also, further evidence of this fact, the current CDA includes a Rural Development set-aside for this purpose, and such set-aside applies to the entire state. Clearly, if such a need did not exist, then such a set-aside would not have been created by the LRPA.	The physical condition of this project is currently poor and a very substantial rehab is needed. Given the current condition of the project, the construction budget is very large. In addition, physical repairs to the buildings and units, much work is needed to the office and the remainder of the site. Current plans call for some Green components in order to reduce the annual operating expenses.	See attached 2011 budgets approved by RD. The annual budget has to be approved in advance by RD. The annual budget is currently being reviewed. The rent is currently restricted. Residents simply cannot afford the rent level. Therefore, the project is not eligible for the 30% basis bump. The project is currently generating a 120% step-up.	No financial analysis provided showing that the project is not eligible for the 30% basis bump under the current rules and why the project is eligible for the 30% basis bump under the proposed rules. The project is currently generating a 120% step-up.	The Agency has employed a long-standing partnership with RD, and it should be clear by now that RD should be able to provide the 120% step-up in order to make the project's rehabilitation financially feasible.	TDC Not Provided / Number of units not provided = Cannot Calculate	TDC Not Provided / Number of units not provided = Cannot Calculate	Developer requested to withdraw from consideration on 08-02-2011
Withdrawn	Pine Hollow Apartments 107 Nemo Lane West Monroe, LA 71291	Ouribou	Old not address		Robert Whittington Rural Housing Development, LLC	Old not address	7/9/2011	RD financed affordable housing in need of substantial rehab. RD has clearly communicated that their target area for rehab is the entire state. Also, further evidence of this fact, the current CDA includes a Rural Development set-aside for this purpose, and such set-aside applies to the entire state. Clearly, if such a need did not exist, then such a set-aside would not have been created by the LRPA.	The physical condition of this project is currently poor and a very substantial rehab is needed. Given the current condition of the project, the construction budget is very large. In addition, physical repairs to the buildings and units, much work is needed to the office and the remainder of the site. Current plans call for some Green components in order to reduce the annual operating expenses.	See attached 2011 budgets approved by RD. The annual budget has to be approved in advance by RD. The annual budget is currently being reviewed. The rent is currently restricted. Residents simply cannot afford the rent level. Therefore, the project is not eligible for the 30% basis bump. The project is currently generating a 120% step-up.	No financial analysis provided showing that the project is not eligible for the 30% basis bump under the current rules and why the project is eligible for the 30% basis bump under the proposed rules. The project is currently generating a 120% step-up.	The Agency has employed a long-standing partnership with RD, and it should be clear by now that RD should be able to provide the 120% step-up in order to make the project's rehabilitation financially feasible.	TDC Not Provided / Number of units not provided = Cannot Calculate	TDC Not Provided / Number of units not provided = Cannot Calculate	Developer requested to withdraw from consideration on 08-02-2011
Withdrawn	Conceda Sub Apartments*** 1000 E. 10th St. Terrebonne, LA 71304	Conceda	Old not address		Robert Whittington Rural Housing Development, LLC	Old not address	7/9/2011	RD financed affordable housing in need of substantial rehab. RD has clearly communicated that their target area for rehab is the entire state. Also, further evidence of this fact, the current CDA includes a Rural Development set-aside for this purpose, and such set-aside applies to the entire state. Clearly, if such a need did not exist, then such a set-aside would not have been created by the LRPA.	The physical condition of this project is currently poor and a very substantial rehab is needed. Given the current condition of the project, the construction budget is very large. In addition, physical repairs to the buildings and units, much work is needed to the office and the remainder of the site. Current plans call for some Green components in order to reduce the annual operating expenses.	See attached 2011 budgets approved by RD. The annual budget has to be approved in advance by RD. The annual budget is currently being reviewed. The rent is currently restricted. Residents simply cannot afford the rent level. Therefore, the project is not eligible for the 30% basis bump. The project is currently generating a 120% step-up.	No financial analysis provided showing that the project is not eligible for the 30% basis bump under the current rules and why the project is eligible for the 30% basis bump under the proposed rules. The project is currently generating a 120% step-up.	The Agency has employed a long-standing partnership with RD, and it should be clear by now that RD should be able to provide the 120% step-up in order to make the project's rehabilitation financially feasible.	TDC Not Provided / Number of units not provided = Cannot Calculate	TDC Not Provided / Number of units not provided = Cannot Calculate	Developer requested to withdraw from consideration on 08-02-2011

Page 10 of 10

Page 10 of 10